

BBC World Service Operating Licence

This Operating Licence defines the characteristics of BBC World Service, including how it contributes to promoting the BBC's public purposes. The licence aims to provide certainty for audiences and stakeholders about what BBC World Service should provide.

The BBC Trust will use this Operating Licence as the basis for its performance assessment and as the basis for its consideration of any proposals for change to BBC World Service from the BBC Executive. BBC World Service may not change in a way that breaches this Operating Licence without Trust approval. The Trust will take such steps as it considers appropriate to assess whether any proposed change is justified in terms of public value. The Trust may decide to consult publicly on any proposed change.

1. Remit

BBC World Service broadcasts and distributes accurate, impartial and independent news and content in a range of genres aimed primarily at users outside the UK. The editorial agenda of the World Service should provide a global perspective on the world, not one based upon any national or commercial interest. BBC World Service should contribute to the BBC's international news mission to address the global gap in provision of trusted international news, by providing accurate, impartial and independent news and analysis of the highest quality. In developing countries the World Service aims, through journalism that contributes to accountability and good governance, to improve the welfare and economic development of citizens. It should aim to provide a distinctive service tailored to its audience's need, and maximise reach of all services in their target markets, subject to value for money. BBC World Service should make a significant contribution to promoting the BBC's public purposes.

2. Scope of BBC World Service¹

BBC World Service should provide predominantly news, current affairs and information services in different languages around the world across a range of different platforms including radio, television, and digital media, with each service deployed on platforms most appropriate for meeting the needs of its target audiences.

¹ Annex III lists the target audience and minimum scope of each language service. It should be read in conjunction with section 2 (Scope) of this Operating Licence, which sets out the permissible scope of all World Service language services. In particular, it should be noted that all language services may produce television bulletins and programmes.

BBC World Service defines its language services within three categories:

- Global English – authoritative international news, current affairs and analysis of global themes.
- Other major languages – services operating in competitive markets which build upon the BBC's global news offer and contribute distinctive journalism for both local and global audiences.
- Languages of particular need – services combining the BBC's global news with a specific tailored offer that meets the needs of audiences with the least access to high quality, impartial news.

BBC World Service radio services may be made available on analogue or digital platforms, either through the BBC's own transmissions, or through other broadcasters². Language services may produce programming for third parties that is only distributed via those parties and not on a BBC World Service platform.

BBC World Service should provide two television channels, in Arabic and Persian, and other language services may provide television bulletins and programmes.

Every BBC World Service language service should provide online content which may be offered on its own sites and platforms, and via third-party sites and platforms. All BBC World Service audio and television output may be made available online to international audiences, both live and on-demand.

Within the UK, all BBC World Service audio and television output may be made available online to UK audiences, both live and on-demand. BBC World Service's English output should also be made available in the UK as a digital service, and on existing FM platforms overnight.

Conditions:

BBC World Service should provide services in 28 different languages³.

(See Annex IV for details of each language service).

BBC World Service should ensure that:

News, current affairs⁴ and information programming represents at least three-quarters of output each year⁵.

² The list of BBC World Service English partners is publicly available on <http://www.bbc.co.uk/programmes/p018hrz0> and for the World Service languages, on their respective websites.

³ Excluding those language services to be funded by a grant from the FCO as set out in Annex V

⁴ With the exception of BBC Persian Television on which news and current affairs programming should represent at least 50% of output.

3. Service budget

Licence fee funding for BBC World Service will be £245 million in 2016/17, of which £217 million is the combined content and distribution budget.

Any planned or actual change in the licence fee-funded content and distribution budget of more than 10% per annum in real value will be regarded as a significant change and requires approval from the BBC Trust, and may entail variation of this operating licence.

In addition, aspects of the World Service (whether entire language services or identifiable enhancements to services otherwise funded by the licence fee) are to be funded by a grant from the FCO as projects pursuant to clause 64C of the Framework Agreement.⁶ The projects are provided subject to the continuation of such grant funding. The acceptance and use of such funding is subject to an agreement with the FCO (which can be found as Annex V to this Licence) and the projects are described in Schedule 2 to that agreement. The amount of that grant is £34,000,000 in the financial year 2016 – 2017 and £85,000,000 per annum in each of the financial years 2017 – 2018, 2018 – 2019 and 2019 – 2020, and the projects are to be implemented during that period. The acceptance and use of such funding has been approved by the Trust pursuant to clause 64C of the Framework Agreement.

In addition to its licence fee budget and the above-mentioned grant, BBC World Service should seek other non-licence fee sources of funding (including commercial funding) where appropriate and within regulatory requirements. (See Annex II for a policy statement on alternative finance, which has been agreed with the Secretary of State for DCMS, as per the requirements of the Charter and Agreement).

BBC World Service can distribute content provided by or co-produced with the charity BBC Media Action on its services, provided these are consistent with the BBC's editorial independence, the BBC's Editorial Guidelines, and any other applicable regulatory requirements.

4. Contribution to the promotion of the BBC's public purposes

BBC World Service creates public value by contributing to the promotion of the following four public purposes.

⁵ This condition will be measured on a programme by programme basis.

⁶ Agreement between the Secretary of State for Culture, Media and Sport and the BBC, July 2006 (Cm. 6872) as amended in September 2011 (Cm. 8002).

4.1 Bringing the world to the UK and the UK to the world

BBC World Service, as part of the BBC's portfolio of international news services, should make a significant contribution to this purpose by providing accurate, impartial and independent news, analysis and current affairs, covering international and national developments to audiences around the world. At least three quarters of its output across the year should be dedicated to news, current affairs and information programming.

BBC World Service should provide a range of debates, interactive content and interactive programming to drive a 'global conversation' with and for its audiences.

BBC World Service should make the global material it generates, including debates, discussions, features and analysis of international events, available to UK audiences online.

BBC World Service should reflect the UK – its people, cultures and national life – as part of its international news output.

BBC World Service should work with the BBC's domestic services by adding international depth to the domestic news and factual output. BBC World Service should use its global network and correspondents overseas reporting in local languages to increase and enhance the range and breadth of the BBC's service to licence fee payers.

4.2 Sustaining citizenship and civil society

BBC World Service should contribute to this purpose by encouraging a shared sense of global citizenship. All services should provide up to date, accurate, impartial and independent news and information on issues of global interest. It should also support debate and involve audiences with interactive programming.

BBC World Service should help audiences build a greater understanding of the world, by providing global news and current affairs in an engaging way, delivering an international perspective and making stories relevant to the target market of each language service.

4.3 Promoting education and learning

BBC World Service should play its part in delivering this purpose to its audiences via the provision of trusted news and information on a range of topics such as business

and economics, science and technology and health. BBC World Service may also provide output with the primary function of teaching the English language.

4.4 Stimulating creativity and cultural excellence

BBC World Service should contribute to this purpose amongst its audience by reflecting significant developments in the arts and providing information about and where possible, coverage of, sporting and cultural events.

4.5 Emerging Communications

The BBC's sixth public purpose is defined in the Charter as "in promoting its other purposes, helping to deliver to the public the benefit of emerging communications technologies and services". BBC World Service should increase the impact of the BBC's digital offer by providing high quality on-demand and multimedia services.

BBC World Service forms part of the BBC News division. BBC World News and bbc.com are run by BBC Global News Ltd and, as commercial services, have different governance arrangements to BBC World Service and must abide by the protocols that govern the BBC's commercial services. As far as is relevant, the editorial standards that apply to the BBC's UK Public Services apply equally to the BBC's international services.

5. Annexes to this Licence

5.1 Annex I – Objectives, priorities and measurable targets agreed between the BBC Trust and the Foreign Secretary

The objectives, priorities and annually measurable targets to be fulfilled by BBC World Service have been agreed with the FCO and are set out in Annex I.

5.2. Annex II – Statement of Policy on Alternative Finance

The policy statement on alternative finance has been agreed with the Secretary of State for DCMS, as per the requirements of the Charter and Agreement, and is set out in Annex II

5.3 Annex III - Performance assessment

The performance of BBC World Service will be assessed by the Trust using the framework described in Annex III. BBC World Service's compliance with any conditions will also be measured on an annual basis and reported in the Annual Report and Accounts.

The BBC Trust will expect BBC World Service to comply with the commitments described in this licence. The BBC Trust will monitor compliance with these commitments retrospectively as part of its periodic service reviews and/or on an exceptional basis if there is evidence of non-compliance.

5.4. Annex IV – Language services

A list of the 28 language services provided by BBC World Service, their target audience and scope.

Annex I: Objectives, priorities and targets agreed between the BBC Trust and the UK Foreign Secretary

BBC World Service: objectives, priorities and targets

It is a requirement of the Agreement that the BBC has with the UK Government, that the “objectives, priorities and targets” for the World Service be agreed between the BBC Trust and the Foreign Secretary. It is also a requirement that the BBC Trust and the Foreign Secretary agree the languages in which the World Service is to be provided.

This annex sets out the objectives, priorities and targets agreed between the Trust and the Foreign Secretary. Annex IV provides a list of language services agreed between the Trust and the Foreign Secretary; it also provides additional information used by the Trust to regulate the service.

For these purposes an “objective” is a medium- to long-term ambition for the World Service, expressed in general terms; a “priority” is an expression of the relative importance of such objectives; a “target” is a measurable criterion of the public value delivered by the World Service (based, in particular, on the reach, quality, impact and value for money that it achieves), which must be consistent with the objectives and priorities set for the Service

Objectives

The objectives of BBC World Service are

- To provide an accurate, impartial and independent news service covering international and national developments
- To be the most trusted international news provider in the world
- To provide inspiring and engaging programmes and content that help its audiences understand the world and their place in it
- To reflect the UK – its people, cultures and national life

Priorities

The first priority of BBC World Service is to maximise the reach of all services in the specified target markets, subject to value for money and affordability, while delivering the objectives set out above.

The second priority of BBC World Service is to sustain and increase its reputation as the most trusted international news provider in the world.

The third priority of BBC World Service is to ensure that its services adapt to changing audience behaviours, while providing a distinctive service tailored to audiences' needs.

The objectives and priorities listed above are for the period 1 April 2014 until the expiry of the BBC's current Royal Charter (31 December 2016).

Targets

The agreed targets for BBC World Service (to be delivered by 31 Dec 2016) are as follows:

Target 1: To rate higher than its international competitors for 'helps to keep me informed'

Target 2: To rate higher than its international competitors for 'most trusted international news'

Target 3: To reach an estimated weekly global audience of at least 200 million adults across all platforms, including its core radio service.

Target 4: To reach 60 million weekly viewers to its television services.

Target 5: To reach 25 million weekly users to its online content.

The BBC will report annually against the objectives, priorities and targets agreed between the BBC Trust and the Foreign Secretary.

In addition to the language services listed at Annex 3 and these objectives, priorities and targets, which are agreed between the BBC Trust and the Foreign Secretary, the BBC is able to enter into an agreement with the UK Government to undertake particular defined projects connected with BBC World Service (e.g. emergency and/or lifeline language services). Any such project would be funded and governed by the arrangements agreed in clause 64C of the BBC Agreement.

Agreed between the BBC Trust and the Foreign Secretary on 10 June 2013

Annex II

THE BBC WORLD SERVICE

POLICY FOR SOURCES OF FINANCE OTHER THAN THE LICENCE FEE ("ALTERNATIVE FINANCE")

Introduction

1. This document constitutes the statement of policy, approved by the BBC Trust and the Secretary of State for Culture, Media and Sport ("the Secretary of State"), addressing the use by the BBC to a limited degree of alternative sources of finance⁷ to supplement the television licence fee ("the licence fee") in the funding of the BBC World Service, as from 1st April 2014.⁸ Those sources of finance are referred to here as "alternative finance". References to "content" are references to content for broadcast and items for inclusion in online services.
2. Although this policy is not directly applicable to the BBC's other international public services (BBC World News and bbc.com/news), because they are commercially-funded, the BBC intends to adopt a more uniform approach to external funding, consistent with this policy, across all these services.

Background

3. Clause 64 of the BBC's Agreement with the Secretary of State⁹ ("the BBC Agreement") requires the BBC to provide the World Service, and defines it as a service consisting of—

"the broadcast or other distribution of programmes and the delivery of services in English and other languages, aimed primarily at users outside the UK."

4. To date, the World Service has been funded principally by grant-in-aid provided by the Foreign and Commonwealth Office, and accordingly, the BBC was

⁷ The World Service was mandated by the FCO in the Comprehensive Spending Review (2010) to generate £3m of income by end of the financial year 2013 – 2014, with a clear understanding that that was to include commercial income.

⁸ This policy recognises that some forms of funding from which the World Service was permitted to benefit when funded by grant-in-aid, as mandated and approved by the Secretary of State for Foreign and Commonwealth Affairs, would not have been available under licence fee funding because they were not covered by existing exceptions under clause 75(5).

⁹ The original Agreement was made as a Framework Agreement under the BBC's Royal Charter on 30 June 2006 and was presented to Parliament in July 2006 (CM 6872). It was amended by further Framework Agreements of 23 March 2010 (CM 7853), 11 February 2011 (CM 8002) and 13 September 2011 (CM 8170)

prohibited from using the licence fee to fund it. However, under the licence fee settlement reached between the BBC and the UK Government in October 2010, it was agreed that the World Service would be funded directly from the licence fee from 1 April 2014. The BBC Agreement has been amended to reflect this and to introduce changes to the governance of the World Service including, in particular, the issuing by the BBC Trust of an “Operating Licence”.

5. Thus, it is now open to the BBC to use the licence fee to fund the World Service, but this also means that the funding of the World Service has become subject to the same constraints as apply to other licence fee-funded services. Some existing sources of additional finance previously approved when the World Service was funded by grant-in-aid and already available to the World Service would no longer be available under the Charter and Agreement provisions governing the licence fee. In particular, the BBC cannot¹⁰ use the licence fee to fund any activity carried on for the purposes of—

(a) any Commercial Service;¹¹ or

(b) a television, radio or online service which is wholly or partly funded by—

- (i) advertisements,
- (ii) subscription,
- (iii) sponsorship,
- (iv) pay-per-view system, or
- (v) any other alternative means of finance,

unless the Secretary of State has given prior written approval.

6. In addition, should the BBC wish to include sponsored material¹² in the World Service, or to provide any subscription service¹³ as part of the World Service, the prior approval of the Secretary of State for Foreign and Commonwealth Affairs (“the Foreign Secretary”) is also required.
7. Certain sources of funding, listed in the BBC Agreement¹⁴, are considered not to be “alternative finance”. These comprise funds derived—
- (a) from the operation of the commercial services;
 - (b) from the Open University;
 - (c) from co-production arrangements;

¹⁰ By virtue of clause 75(2) of the BBC Agreement.

¹¹ As defined in clause 101 of the BBC Agreement.

¹² As defined in clause 76(2) of the BBC Agreement.

¹³ As defined in clause 76(2) of the BBC Agreement.

¹⁴ See clause 75(5).

- (d) from co-funding by non-commercial bodies for output in minority languages and other limited circumstances (where compatible with a statement of policy approved by the Trust and the Secretary of State);
- (e) from competition prizes and other awards made available or funded by third parties (under a framework approved by the Trust);
- (f) from activities, facilities or events featured in BBC output or used to support the creation of BBC output and carried on or provided with third parties (where compatible with a statement of policy approved by the Trust and the Secretary of State).

8. Those sources of funding are available to the World Service to the same extent as they are available to any other licence fee-funded service of the BBC. The policies mentioned in sub-paragraphs (d) and (f) of paragraph 7 and the framework mentioned in sub-paragraph (e) of that paragraph apply to the World Service if to any extent the funding in question is not covered by the terms of this policy.

Approval of alternative finance for the World Service

9. The Trust, the Secretary of State and the Foreign Secretary recognise that it is appropriate and expedient for the BBC to use certain alternative sources of finance for the funding of the World Service. This will enable the World Service to better perform its remit by making resources available to supplement the funding of the World Service from the licence fee. It also reflects an ambition expressed by the BBC Trust¹⁵ and shared by the Government that, where appropriate and consistent with the BBC's editorial principles, the ability of all of BBC international news services to benefit from third party sources of funding, including commercial funding, should be continued and enhanced. Such funding for the World Service must be reasonable and proportionate and comply with the rules on state aid.
10. Accordingly, the Trust and the Secretary of State have approved the alternative finance set out in this policy, so long as it is conducted in compliance with the provisions of the policy.
11. The Foreign Secretary approves the inclusion of sponsored material in the World Service, as specified in paragraph 15 below.

General principles

¹⁵ BBC World Service: A licence fee funded service (June 2013): see at http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/consult/wsol/wsol_positioning.pdf

12. All alternative finance for the World Service must comply with all regulatory requirements, including the BBC's Royal Charter and the BBC Agreement, and the general law including the Audiovisual Media Services Directive (to the extent it is applicable to the World Service)¹⁶ and state aid law. In particular, any arrangements for alternative finance (and where applicable any content funded by such means) must comply with the following—

- (a) clauses 68 and 101 of the BBC Agreement, regarding the organisational and structural separation of the BBC and its commercial subsidiaries;
- (b) the BBC's *Editorial Guidelines*, and in particular the *Editorial Guidelines for the BBC World Service Group on External Relationships and Funding*;
- (c) Global News Compliance Procedures;
- (d) such specific rules or conditions (if any) as may be imposed by the BBC Trust.

Approval for specific forms of alternative finance

13. The following forms of alternative finance are approved, subject to compliance with the general principles set out above and the specific rules (if any) referred to in paragraph 12(d).

14. The BBC may include paid-for advertising in services provided by the World Service which are not targeted at audiences in the UK; such advertising must comply with the BBC's *Advertising and Sponsorship Guidelines for BBC Commercial Services*, and must take account of the likely expectations of target audiences, regulatory requirements and local market norms in the relevant territory.

15. The BBC may include sponsored content on the World Service.¹⁷ Sponsored content may be—

- (a) sponsored content commissioned or acquired by the World Service (i.e. the sponsor may provide funding to the World Service directly);
- (b) sponsored content that has been broadcast previously on other services provided by the BBC or BBC companies;
- (c) sponsored content funded via the charity BBC Media Action¹⁸ (i.e. the sponsor may provide funding to BBC Media Action which then provides the content to the World Service).

¹⁶ Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010.

¹⁷ Sponsorship of news or current affairs content is not permitted.

16. Current affairs content may be not be financed by external funders, except that the BBC may include for broadcast on the World Service democratic governance content¹⁹ financed by external funders, including content dealing with current affairs, provided that it is consistent with the policy on appropriate funders set out in the *Editorial Guidelines for BBC World Service Group on External Relationships and Funding*.
17. The BBC may include in the World Service other externally funded content which is not sponsored content such as is permitted by paragraph 15 but which is either—
- (a) funded by BBC Media Action, provided that any relevant external funding provided to Media Action for the purpose by external funders has been approved in accordance with the applicable compliance procedures in accordance with BBC Media Action's constitution, or
 - (b) externally funded by other appropriate external funders, provided that it is consistent with the policy on appropriate funders set out in the *Editorial Guidelines for BBC World Service Group on External Relationships and Funding*.
18. In order to comply with state aid rules, the BBC Trust must keep under review the total amount received by the BBC and its subsidiaries by way of alternative finance, and ensure that it does not exceed an amount appearing to the Trust to be proportionate to the cost of fulfilling the public service remit of the World Service, having regard to the licence fee funding also available to the World Service.

¹⁸ BBC Media Action is the BBC's international charity. BBC Media Action works in developing and transitional countries. It trains local broadcasters and journalists. It also makes content (often in partnership with others), that provides information about key areas such as health, economic empowerment and humanitarian assistance and provides audiences with opportunities to explore ideas and question politicians and leaders. The World Service is the natural broadcasting outlet for Media Action. Media Action also works with other broadcasting partners around the world to give voice to programming promoting those aims.

¹⁹ "Democratic governance" content is a specific type of current affairs content that is aimed at improving democratic accountability by building greater understanding of the political process and institutions and by holding those in power to account. This is through citizens' access to information and the ability to challenge or debate with holders of public office. It frequently gives citizens information about public institutions and how they operate, and the opportunity to question those holding power through formats such as debate, panel discussions, call-in shows or events where leaders are held to account. Democratic governance content is targeted at audiences outside the UK.

Annex III: Performance measurement framework

The BBC Trust has the function of assessing the performance of the Executive Board in delivering the BBC's services and activities and holding the Executive Board to account for its performance.²⁰ It uses the framework described below as the basis for its assessment of BBC World Service.

The framework uses a range of metrics²¹ based around the drivers of public value, modified slightly from the framework for UK public services to reflect the particular mission of BBC World Service and the creation of international public value:

- Quality
- Impact
- Reach
- Value for money

In addition to the measurable targets set out in Annex I, during its five-yearly review cycle, the Trust will use a combination of consultation, bespoke audience research and other data sources available to the BBC to assess performance of the service, including how it delivers the BBC's public purposes.

Performance should be assessed both globally and in high priority markets facing particularly severe shortfall in the provision of trusted, impartial news.

The Trust can amend this framework without this constituting a formal variation to this operating licence.

²⁰ BBC Royal Charter, article 24(1)(c) and, specifically with regard to BBC World Service, article 64(4) c

²¹ Quality and Impact measured by the BBC Brand Tracker covering 10 markets with c. 350 per market, all consuming more than one international news broadcaster.

Annex IV: BBC World Service Language Services²²

Language Service	Target Audience	Scope ²³
<p>Annex IV lists the target audience and minimum scope of each language service. It should be read in conjunction with section 2 (scope) of this Operating Licence, which sets out the permissible scope of all World Service language services. In particular, it should be noted that all language services may produce television bulletins and programmes</p>		
Global English		
<p>Aims: Should aim to meet the needs of audiences interested in international news and current affairs, plus a selected mix of other genres such as business, health, technology, sport and interactive content.</p>		
<p>World Service English</p> <p>Including a targeted stream for Africa</p>	<p>Should be available to English-speaking audiences around the world.</p> <p>A targeted service is available to English-speaking audiences in Sub-Saharan Africa, particularly Kenya, Ghana, Nigeria, Uganda, Zambia and Malawi.</p>	<p>BBC World Service English is a large-scale service operating on radio and digital media (via bbc.co.uk and bbc.com).</p> <p>A tailored radio and television offer is available for African audiences</p>
Other major languages		
<p>Aims: Should aim to meet the needs of audiences interested in international news and current affairs, plus a selected mix of other genres; and to offer local and global audiences a distinctive, more international perspective on issues affecting them.</p>		
Arabic	Should target Arabic-speaking audiences in the Middle East and North Africa, and be	A large-scale service operating on radio,

²² The language services (listed in bold) are agreed between the BBC Trust and the UK Foreign Secretary. The aims, target audience and scope included in this annex are stipulated by the BBC Trust and are used by the Trust to regulate the World Service.

²³ Within the scope section of this annex – which sets out the minimum scope of each language service – the following terms apply:

- ‘radio’ describes distribution of audio content via traditional broadcast radio technology (e.g. short-wave, medium wave or FM)
- ‘digital media’ is a broad term describing the provision of content and service via IP technology and may contain text, audio and video content, distribution via social media, and other platforms as appropriate.
- ‘small scale’ indicates a limited amount of original output, often only on a single platform
- ‘medium scale’ indicates a greater breadth of output on at least two platforms
- ‘large-scale’ language services deliver a significant amount of original output across multiple platforms.

	available to Arabic-speaking audiences around the world	television, and digital media.
Chinese (Two separate services: Mandarin and Cantonese)	Should target audiences in mainland China, Hong Kong and Taiwan, and be available to Mandarin- and Cantonese-speaking audiences around the world	A small-scale service operating on radio (Cantonese) and digital media (Mandarin and Cantonese)
Hindi	Should target Hindi-speaking audiences in India, Nepal and Bangladesh, and be available to Hindi speakers around the world	A medium-scale service operating on radio and digital media
Indonesian	Should target audiences in Indonesia, and be available to Indonesian-speaking audiences around the world	A small-scale service operating on radio and digital media.
Portuguese for Brazil	Should target audiences in Brazil, and be available to Portuguese speakers around the world	A medium-scale service operating on digital media with some radio
Russian	Should target audiences in Russia, Ukraine, Former Soviet Union (FSU) countries, and be available to Russian speakers around the world	A medium-scale service operating on digital media, including a television bulletin distributed via partners
Spanish	Should target audiences in Latin America, and be available to Spanish speakers around the world	A medium-scale service operating on digital media
Swahili	Should target audiences in Tanzania, Kenya, eastern DRC, Uganda, and be available to Swahili-speakers around the world	A medium-scale service operating on radio and digital media and providing television through partner services.
Turkish	Should target audiences in Turkey, and be available to Turkish speakers around the world	A medium-scale service operating on digital media and providing television through partner services.
Ukrainian	Should target audiences in Ukraine, and be available to Ukrainian speakers around the world	A small-scale service operating on digital media.

Languages of particular need		
Aims: Should meet the needs audiences by providing a distinctive mix of local, regional and international news and current affairs, plus a selected mix of other genres; and to provide journalism and expertise to global audiences where relevant.		
Azeri	Should target audiences in Azerbaijan and Russia	A small-scale service operating on digital media.
Bengali	Should target audiences in Bangladesh, India, and Nepal and neighbouring countries	A medium-scale service operating on radio and on digital media.
Burmese	Should target audiences in Burma and be available to Burmese speakers around the world	A medium-scale service operating on radio and on digital media.
French for Africa	Should target Francophone audiences in Africa, particularly in DRC, Guinea, Cote d'Ivoire, Chad and Togo	A medium scale service operating on radio and on digital media.
Hausa	Should target Hausa-speaking audiences in Nigeria, Niger, Ghana, Chad, Sierra Leone and Hausa speakers around the world	A medium scale service operating on radio and on digital media.
Great Lakes (Kinyarwanda/ Kirundi)	Should target Kinyarwanda/ Kirundi-speaking audiences in Rwanda and Burundi, and the wider Great Lakes region	A small scale service operating on radio and on digital media.
Kyrgyz	Should target audiences in Kyrgyzstan and Russia, and be available to Kyrgyz-speaking audiences around the world	A small-scale service operating on radio, digital media and television
Nepali	Should target audiences in Nepal and India and Nepali speakers in neighbouring countries	A small- scale service operating on radio and online.
Pashto	Should target audiences particularly in Afghanistan and Pakistan and be available to Pashto speakers around the world	A medium-scale service operating on radio and on digital media

Persian	Should target audiences in Iran, Afghanistan and Tajikistan and be available to Persian speakers around the world	A large-scale service operating on radio, television, and digital media. Persian television has at least 50% news, current affairs and information programming (other content to include history, natural history, health, arts and entertainment)
Sinhala	Should target Sinhala- speaking audiences in Sri Lanka	A small-scale service operating on radio and on digital media
Somali	Should target Somali-speaking audiences in Somalia, Ethiopia and Kenya and neighbouring countries	A medium-scale service operating on radio and on digital media.
Tamil	Should target Tamil-speaking audiences in India and Sri Lanka	A small-scale service operating on radio and on digital media
Urdu	Should target Urdu-speaking audiences in Pakistan, India and Nepal and be available to Urdu-speakers around the world	A medium-scale service operating on radio, digital media and television through partner services.
Uzbek	Should target Uzbek-speaking audiences in Uzbekistan and Afghanistan	A medium-scale service operating on radio and digital media.
Vietnamese	Should target audiences in Vietnam and be available to Vietnamese speakers around the world	A small-scale service operating on digital media

Annex V:

AGREEMENT UNDER CLAUSE 64C OF THE BBC FRAMEWORK AGREEMENT

BETWEEN:

THE BRITISH BROADCASTING CORPORATION (“BBC”)

AND

THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS (“THE FOREIGN SECRETARY”)

WHEREAS:

(A) The BBC is required by its Framework Agreement with the Secretary of State for Culture, Media and Sport (“the BBC Agreement”) to provide the World Service (described in the BBC Agreement), in accordance with that Agreement.

(B) The Foreign Secretary wishes to provide funding in the sum of £34,000,000 (thirty-four million pounds sterling) in the financial year 2016 – 2017 and £85,000,000 (eighty-five million pounds sterling) per annum in each of the financial years 2017 – 2018, 2018 – 2019 and 2019 – 2020 for certain projects connected with the World Service to be implemented during that period.

(C) The BBC Agreement provides for the World Service to be funded out of licence fee revenue, and also (in clause 64C) for the BBC to enter into agreements under which the UK Government provides funding to enable the BBC to undertake particular defined projects connected with the World Service, where such projects must be (i) approved in advance by the Trust; (ii) consistent with clause 64 of the BBC Agreement and the World Service Operating Licence; and (iii) undertaken for a specific period or a specific purpose.

(D) The BBC Trust approved those projects and the making of this agreement on 19 July 2016.

(E) Accordingly—

- a) the BBC, and
- b) the Foreign Secretary

(together, “the Parties”) wish now to enter into this agreement (the “Agreement”), pursuant to clause 64C of the BBC Agreement, in relation to the funding for certain particular defined projects to be implemented during the period mentioned in paragraph (B).

THE AGREEMENT

1. The Parties have agreed as follows.

Editorial and managerial independence of the BBC

With reference to clause 64C(2)(a) of the BBC Agreement, the Parties confirm their intention that nothing in this Agreement is intended to conflict with clause 64(8)(a) of the BBC Agreement and that (accordingly) this Agreement should always be construed in a manner that respects the BBC's full editorial and managerial independence and integrity in the provision of the World Service.

Payments

The Foreign Secretary will pay to the BBC the sums specified in Schedule 1 to this Agreement, in accordance with the arrangements set out in that Schedule.

In accordance (in particular) with the BBC's Editorial Guidelines²⁴, funds provided by the Foreign Secretary will not be used by the BBC to support activity intended to influence or to attempt to influence the UK Parliament, Government or political parties, or activity attempting to influence legislative or regulatory action in the UK; and the BBC will make all reasonable efforts to ensure that no such funds are used to provide support to individuals or bodies associated with terrorism.

Projects

The BBC shall apply the sums specified in Schedule 1 to the activities set out under the groupings at "a" to "f" of the table in Schedule 2 ("the Projects"), according to those groupings ("the Project Groupings"), and subject to such variations as to the amounts concerned or the period or purposes to which they are to be applied as may from time to time be agreed in accordance with paragraph 29 (Variation of this Agreement) and the procedure set out in Schedule 3].

The BBC may vary the amount so specified which is to be applied to each Project Grouping by no more than ten per cent without following the procedure in Schedule 3, provided that the total amount to be spent on all Projects in a financial year is not affected by reason of any such variations.

Project Groupings shall start on the dates set out in the table in Schedule 2 and end on 31 March 2020 unless the period is otherwise curtailed or extended in accordance with paragraph 29

²⁴ <http://www.bbc.co.uk/editorialguidelines/>

and Schedule 3. However this Agreement shall remain in force in respect of a Project for six months from the cessation of the Project for the completion of evaluations.

Broadly, the BBC shall use goods or services financed from funds provided by the Foreign Secretary for the purposes of the Projects. If such a purchased item is capitalised by the BBC in excess of £1 million it shall not be sold without the prior consent of the Foreign Secretary.

Exit costs

The parties acknowledge and agree that any reference to BBC spending on the Projects includes a reference to any spending to meet any liability (for example, to any employee, contractor or supplier of goods or services) arising by reason of the termination (in whole or part) of any Project, whether at the end of the period specified in Schedule 2 for its implementation or otherwise, or any change in the scale or nature of the activities involved in the Project.

Approvals

For the avoidance of doubt, the Foreign Secretary, in signing this Agreement, approves:

- a) the start of each service in a language that is not currently served and is mentioned in Schedule 2 to this Agreement;
- b) the entire cessation of a service in a particular language mentioned in Schedule 2:-
 - i) at the end of the period for that service specified in Schedule 2; or
 - ii) on the expiry or termination of this Agreement.

Due Diligence

In utilising funds provided by the Foreign Secretary the BBC will exercise the same care in the discharge of its obligations under this Agreement as it exercises with respect to the administration and management of its own resources and affairs.

Liability

The BBC acknowledges and agrees that the Foreign Secretary shall not be responsible for the activities of any body or person engaged by the BBC in connection with the Projects.

The BBC acknowledges and agrees that the Foreign Secretary shall not be responsible for any adverse effects of expenditure in relation to the Projects that has an undesired or unexpected result for recipients.

Accountability

The BBC has ultimate responsibility for the appropriate use of funding provided under this Agreement and the delivery of the Projects and Objectives, notwithstanding the accountability of the BBC to the Foreign Secretary as set out in this Agreement.

Procurement

The BBC shall ensure that any procurement using funds provided under this Agreement adheres to international best practice and that it is transparent, fair and open.

Reporting and performance assessment

The reporting and performance assessment obligations in relation to each Project or Project Grouping set out in Schedule 4 shall be performed by the BBC.

The BBC will deliver the Projects in accordance with the Objectives for each Project Grouping and Targets for each Project or Project Grouping specified in the table in Schedule 4.

For the purposes of paragraph 17: -

- a) an “Objective” is a medium to long term ambition for the BBC, acting through the BBC World Service, as regards the Projects, expressed in general terms, and
- b) a “Target” is a measurable criterion of the public value delivered by the BBC, acting through the BBC World Service, in relation to a Project or Project Grouping, based, in particular, on the reach, quality, impact and value for money that it achieves; and every Target must be consistent with any relevant Objectives.

The Foreign Secretary will use the performance measures specified in Schedule 4 to assess the performance of the BBC in delivering the Projects.

The Foreign Secretary or the BBC may propose to vary a Target, and the Target in question shall have effect as varied if (but only if) it is agreed by both Parties (such agreement not to be unreasonably withheld).

Funds provided under this Agreement by the Foreign Secretary must be accounted for separately by the BBC.

Licence fee revenue

Broadly, licence fee revenue must not be used to fund the Projects.

In particular, where a Project consists of or includes specified enhancements to an existing service, the BBC shall make arrangements to ensure that (so far as practicable) it can demonstrate that the enhancements are wholly funded by sums provided by the Foreign Secretary.

Fraud or unethical activity

In the event of any credible suspicion of, or actual, unethical activity (as defined in paragraph 25) in relation to the Projects, the Foreign Secretary and the BBC each undertake to inform the other immediately of that suspected or actual activity; and if such suspected or actual activity interferes or threatens to interfere materially with the successful implementation of the Projects, the Foreign Secretary—

- a) will consult the BBC, and having done so, may suspend or terminate any affected part of the funding with immediate effect, without notice and notwithstanding any provision in this Agreement to the contrary;
- b) may recover funds that have been subject to fraud; and
- c) may, at any time during the term of this Agreement or within three years after the end of any Project, call upon the BBC to arrange for additional audits, on-the-spot checks or inspections to be carried out, and to report the results to the Foreign Secretary (and the Foreign Secretary must bear the cost of any such audit).

In this clause, “unethical activity” means fraud, bribery, corruption or any other financial irregularity or impropriety.

Additional oversight

To enable the Foreign Secretary to ensure accountability to Parliament, the Foreign Secretary may commission an external audit of the financial reporting provided by the BBC for the purposes of this Agreement. The Foreign Secretary must bear the cost of any such audit.

Any such audit may not question the merits of any editorial and creative judgment which is made by or on behalf of the BBC, or of any policy objective of the BBC relating to the manner in which the World Service is made or distributed.

Post Evaluation Reporting

The BBC must conduct a post-evaluation review of each Project Grouping, financed by funds paid under this Agreement, including commentary on the Projects in the table in Schedule 2, and provide a report resulting from the evaluation to the Foreign Secretary within six months of the cessation of the Project Grouping. The evaluation and report must focus on:-

- a) the results achieved;
- b) audience metrics obtained during the course of the Projects;
- c) any further data that measures the relative success of the Projects;
- d) expenditure incurred over the course of the Projects together with variance to plan;
- e) lessons learnt on project implementation;
- f) assessment of cost effectiveness of each language service.

Variation of this Agreement

This Agreement may be amended by agreement between the Parties, provided that where any amendment affects a Project, the amendment must be made in accordance with the procedure set out in Schedule 3, subject always to paragraph 6.

Recovery of funding

At the end of the period for a Project or expiry or termination of this Agreement, whichever is the earlier, the Foreign Secretary has discretion to require the BBC to pay the Foreign Secretary monies equal to the residual value of any capital asset used in a Project where:-

- a. the asset has been acquired by the BBC by virtue of funds provided under this Agreement; and
- b. the value of the asset exceeds one million pounds sterling (£1,000,000).

Any unspent funds remaining on 31st March 2020 shall be returned to the Foreign Secretary unless otherwise agreed between the Parties in writing.

The Foreign Secretary may recover any funds given to the BBC under this Agreement which have not been used to implement the Projects or cannot be accounted for.

Commencement

This Agreement is to come into force on the date of signature of the later of the two Parties to sign.

Signed

For the BBC

Dated

For the Foreign Secretary

Dated

Schedule 1

Arrangements for payments

1. The Foreign Secretary will make available a sum not exceeding £289, 000, 000 (two hundred and eighty nine million pounds sterling). The amount is expected to be paid on a quarterly basis in the following tranches.

2016/17	up to £34, 000, 000 (thirty four million pounds sterling)
2017/18	up to £85, 000, 000 (eighty five million pounds sterling)
2018/19	up to £85, 000, 000 (eighty five million pounds sterling)
2019/20	up to £85, 000, 000 (eighty five million pounds sterling)

2. The BBC will provide an annual forecast of expenditure and a quarterly estimate of funding required in a quarter at least 20 working days prior to the commencement of a quarter.
3. A request for grant in the form of that annexed to this Agreement (to be known as a Statement of Requirement) must be submitted to the Foreign Secretary. Cash requested on the first working day of the month will be received within five working days of approval of a duly completed Statement of Requirement.
4. The BBC will indicate in the Statement of Requirement the actual cash utilised in prior periods and how any under or over spend has been accounted for.

Payment will be made to the bank account details provided by the BBC on the supplier portal of the Foreign and Commonwealth Office. It is the BBC's responsibility to ensure that their bank details on the portal remain accurate and the BBC should confirm these details within the Statement of Requirement.

Schedule 2

Description of the Project Groupings, Projects, purpose and periods for which funding will be provided:

Project Grouping	Start date	Amount 2016/17	Amount 2017/18	Amount 2018/19	Amount 2019/20	End date
a. Africa – Increased provision of news and information services and new Language Services across Africa.	Q2 2016/17	£12.5m	£30.0m	£31.2m	£31.0m	31 March 2020
Africa Projects						
<ul style="list-style-type: none"> Horn of Africa; Ethiopia and Eritrea – New services in Amharic, Afaan Oromo, and Tigrinya on radio and digital platforms 						
<ul style="list-style-type: none"> Nigeria – New language offerings in Pidgin, Yoruba and Igbo available on digital platforms and via TV partners 						
<ul style="list-style-type: none"> Somali – Extended news bulletins via digital platforms and TV partners 						
<ul style="list-style-type: none"> Africa TV – An expanded portfolio of news, current affairs and near-news TV and digital content serving Africa's young and emerging middle class, tailored to selected markets 						
b. Arabic – Enhanced regional content across BBC Arabic services for audiences in the region	Q2 2016/17	£4.6m	£7.6m	£8.6m	£8.6m	31 March 2020
Arabic Project						
<ul style="list-style-type: none"> TV – More regionally focused news and current affairs programming Radio – Regional opt-out and new programmes aimed at younger and female audiences Digital – Enhanced news products across digital platforms Newsgathering – Increased newsgathering network aimed at serving North Africa and the Gulf 						
c. Asia – New and enhanced services for audiences across the region	Q2 2016/17	£5.4m	£9.8m	£5.8m	£5.7m	31 March

						2020
Asia Projects						
<ul style="list-style-type: none"> Korean service – Radio broadcasts aimed at audiences in the Korean peninsula; accompanied by digital content available on social and online platforms 						
<ul style="list-style-type: none"> India – New offers in Telugu, Gujarati, Marathi and Punjabi available on digital platforms and TV bulletins available via partners 						
<ul style="list-style-type: none"> Thai – Expansion to create a full service available on digital platforms 						
d. Russian – Enhanced services aimed at Russian speaking audiences in Russia and surrounding regions.	Q2 2016/17	£2.4m	£6.8m	£6.4m	£6.4m	31 March 2020
Russian Project						
<ul style="list-style-type: none"> Newsgathering – Expand the BBC Russian Service’s newsgathering network TV – Extended TV bulletins and programming with provision for regional opt-outs for audiences in Ukraine and in the Baltics. Digital – Enhanced digital offer focused on live and video formats, available on digital platforms; greater regionalisation of BBC Russian website Programming – Deliver greater volumes of near-news and BBC Worldwide material which is relevant and accessible to Russian audiences 						
e. World Service English – Enhancements to deliver a broader agenda, grow reach and maintain the relevance of the service	Q2 2016/17	£2.3m	£7.5m	£8.5m	£8.6m	31 March 2020
World Service English Project						
<ul style="list-style-type: none"> Programmes – More near-news content to broaden and enrich the editorial offer, helping to grow reach and impact, including new cultural, arts and science programmes Journalism – Greater reporting and coverage aimed at engaging a younger audience Digital content – Expansion of digital audio and social content to grow reach and maintain the relevance of the service Distribution – Targeting greater audio distribution with a focus on Europe and India 						
f. Digital and video– Digital and video enhancements across all services to	Q2	£6.9m	£23.4m	£24.5m	£24.6m	31

November 2016



maintain their relevance and reach.	2016/17					March 2020
Digital and Video Project						
<ul style="list-style-type: none">• Enhanced TV, mobile and online offers across all services in addition to those referred to above• Increased use of visual journalism• Investment in social media, audience engagement and digital video roles across the World Service• Investment in technical and product infrastructure						
Total		£34m	£85m	£85m	£85m	

Schedule 3

Procedure for agreeing the variation of a Project

1. The Foreign Secretary may notify the BBC in writing that the Foreign Secretary wishes to amend the amounts to be provided under this Agreement.
2. The BBC may notify the Foreign Secretary in writing that the BBC wishes to amend:-
 - a. the specified period or purpose of a Project;
 - b. the amount specified in column 3, 4, 5 or 6 of Schedule 2 which is to be applied to a Project Grouping described at "a" to "f" of that schedule of more than ten per cent in a financial year.
3. A notice from the BBC under paragraph 2 should set out the implications for the Project or Project Grouping of a proposed material change and should propose how the matter will be addressed.
4. Following the written notification described in paragraphs 1 or 2, the Parties may agree an amendment on such terms as may be agreed.
5. Any amendment must:
 - a. be approved in advance by the BBC Trust, if it is proposed that it should take effect before 1 January 2017; and
 - b. be consistent with the BBC Agreement (in particular clauses 64 and 64C) and the Operating Licence for the World Service.

Schedule 4

Reporting and performance assessment

Quarterly reports

1. The BBC must provide the Foreign Secretary (through officials), at quarterly intervals with a financial report which shall detail:-
 - a) the amount spent on each Project Grouping in the period to which the report relates;
 - b) the full year forecast of expenditure in relation to each Project Grouping, updated as appropriate;
 - c) an Official Development Assistance (“ODA”) accounting schedule (to be known as the “Quarterly ODA return”) setting out total spend to date and a full year forecast for ODA eligible expenditure.
2. Financial reports should be sent to the Foreign Secretary no later than 20 working days after the end of a reporting period.
3. The BBC must provide the Foreign Secretary (through officials), at quarterly intervals with an activity report which shall detail: -
 - a) a summary of activity delivered in relation to each Project Grouping;
 - b) where available, updates relating to achievement of Objectives and Targets;
 - c) opportunities and risks arising in relation to the Projects.
4. Activity reports should be sent to the Foreign Secretary no later than 30 working days after the end of a quarter period.
5. The BBC and the Foreign Secretary (through officials) must meet at least every six months, to discuss the financial and activity reports referred to in paragraphs 1 and 3. The BBC will provide an update on any issues arising in relation to the Projects. The update may address, amongst other things:-
 - a) the activity and services delivered in relation to Projects;
 - b) any BBC plans to continue, adjust or end any service;
 - c) performance or progress in relation to Objectives and Targets, as available;
 - d) risks affecting the delivery of a Project or Objective.
6. The BBC shall maintain regular contact with officials of the Foreign Secretary who are responsible for regional desks.

7. The Foreign Secretary shall measure performance against the following Objectives for each Project Grouping and Targets for each Project or Project Grouping.

Project Grouping	Objective	Targets		Timing of application of Targets
		Reach	Quality	
Africa	Increase provision of independent and impartial news and World Service presence on relevant platforms for Sub Saharan audiences.	Yoruba: 4m Pidgin: 0.5m Igbo: 4.2m Amharic: 8.1m Oromo: 9.9m Tigrinya: 0.9m African TV: 25.1m Somali TV: 0.3m	To be rated higher for Trust among international news competitors	2019/20
Arabic	Provision of enhanced regional content for the geographically diverse audiences in the Arab world.	Arabic: 3.5m	To be rated higher for Trust among international news competitors	2019/20
Asia	Increase provision of independent and impartial news and World Service presence on relevant platforms for Asian audiences.	Marathi: 2.9m Punjabi: 0.7m Telugu: 0.8m Gujarati: 0.9m Thai: 3.5m	To be rated higher for Trust among international news competitors	2019/20
Russian	Growth of World Service reach and coverage through provision of enhanced digital and TV services for Russian speakers in Russia and surrounding	Russian: 2.8m	To be rated higher for Trust among international news competitors	2019/20

Project Grouping	Objective	Targets		Timing of application of
	regions.			
World Service English	Enhancement of existing World Service English offer to meet the needs of audiences in a changing and increasingly digital world.	English: 10.7m	To be rated higher for Trust among international news competitors	2019/20
Digital and video	Transform the World Service to meet the challenges of operating in an increasingly digital and connected world by launching new video, mobile and social first services.	Maintain the overall reach of World Service, and deliver 25% of the World Service's audience on digital platforms.		2019/20

ODA Reporting Requirements

8. Subject to the maintenance of the BBC's full editorial and managerial independence and integrity, and any operational requirements (e.g. security considerations), the BBC shall use reasonable endeavours to comply with any reasonable request of the Foreign Secretary to enable the Foreign Secretary to comply with reporting requirements of the Organisation for Economic Cooperation and Development, the UK Aid Transparency Guarantee, or the International Aid Transparency Initiative and HM Treasury in relation to ODA.

Annual statement

9. The BBC must provide the Foreign Secretary with an annual statement no later than 30th June following the end of the financial year that sets out what the BBC has done for the purpose of complying with this Agreement. The report must address (as a minimum):-
 - a) actual spend in the financial year against budget for each Project Grouping;
 - b) assessment of cost effectiveness of each Project Grouping;
 - c) a summary of activity in relation to each Project Grouping;
 - d) achievement of the Objectives and Targets, indicating the margin of error and the methods used to measure achievement;
 - e) risk management in relation to delivery of the Projects.
10. The Foreign Secretary or authorised agents of the Foreign Secretary may request additional information where the Foreign Secretary considers it necessary.

STATEMENT OF REQUIREMENT

Foreign and Commonwealth Office

Claimed on behalf of **BBC World Service**

	1st April 2016	31st March 2017	£ (no pence)
A	Cumulative value of work on Project Grouping completed to date i. Resource ii. Capital TOTAL A		
B	Cumulative value of work completed at date of last claim TOTAL B		
C	Value of work completed since last claim (A minus B) TOTAL C		
D	Amount of funding now claimed		
E	Total amount of funding previously claimed		
F	Cumulative value of funding claimed to date (D plus E)		
G	Funding for 2016-17		XXX,000
H	Overall balance of funding remaining to claim (G minus F)		
I	Forecast of expenditure for next quarter i. Resource ii. Capital TOTAL I		
J	Forecast of expenditure for year end (if different to I above) i. Resource ii. Capital TOTAL J		

I certify that the conditions applying to the funding have been duly observed in the expenditure of money received to date and that the sum requested is not in advance of need.

November 2016



Signed: _____

DATE:

